

# House Study Bill 231 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

## A BILL FOR

1 An Act relating to the approval and imposition of the  
2 facilities property tax levy and the equipment replacement  
3 and program sharing property tax levy for a merged area and  
4 including effective date and applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 260C.15, subsection 1, Code 2015, is  
2 amended to read as follows:

3 1. Regular elections held by the merged area for the  
4 election of members of the board of directors as required by  
5 section 260C.11 or for any other matter authorized by law and  
6 designated for election by the board of directors of the merged  
7 area, shall be held on the date of the school election as fixed  
8 by section 277.1. However, elections held for the ~~renewal~~  
9 imposition, rate increase, or discontinuance of the twenty and  
10 one-fourth cents per thousand dollars of assessed valuation  
11 levy authorized in section 260C.22 shall be held either on the  
12 date of the school election as fixed by section 277.1 or at a  
13 special election held on the second Tuesday in September of  
14 the even-numbered year. The election notice shall be made a  
15 part of the local school election notice published as provided  
16 in section 49.53 in each local school district where voting is  
17 to occur in the merged area election and the election shall be  
18 conducted by the county commissioner of elections pursuant to  
19 chapters 39 through 53 and section 277.20.

20 Sec. 2. Section 260C.22, subsection 1, paragraphs a and b,  
21 Code 2015, are amended to read as follows:

22 a. In addition to the tax authorized under section 260C.17  
23 and upon resolution of the board of directors, the voters  
24 in a merged area may at the regular school election or at a  
25 special election held on the second Tuesday in September of  
26 the even-numbered year vote a tax not exceeding twenty and  
27 one-fourth cents per thousand dollars of assessed value in any  
28 one year for a period not to exceed ten years, unless otherwise  
29 provided under subsection 2, for the purchase of grounds,  
30 construction of buildings, payment of debts contracted for the  
31 construction of buildings, purchase of buildings and equipment  
32 for buildings, and the acquisition of libraries, for the  
33 purpose of paying costs of utilities, and for the purpose of  
34 maintaining, remodeling, improving, or expanding the community  
35 college of the merged area. If the tax levy is approved under

1 this section, the costs of utilities shall be paid from the  
2 proceeds of the levy. The tax shall be collected by the county  
3 treasurers and remitted to the treasurer of the merged area as  
4 provided in section 331.552, subsection 29. The proceeds of  
5 the tax shall be deposited in a separate and distinct fund to  
6 be known as the voted tax fund, to be paid out upon warrants  
7 drawn by the president and secretary of the board of directors  
8 of the merged area district for the payment of costs incurred  
9 in providing the school facilities for which the tax was ~~voted~~  
10 authorized.

11     b. In order to make immediately available to the merged  
12 area the proceeds of the voted tax ~~hereinbefore~~ authorized to  
13 be levied under this section, the board of directors of any  
14 such merged area is hereby authorized, without the necessity  
15 for any further election, to borrow money and enter into loan  
16 agreements in anticipation of the collection of such tax,  
17 and such board shall, by resolution, provide for the levy  
18 of an annual tax, within the limits of the special voted  
19 tax ~~hereinbefore~~ authorized under this section, sufficient  
20 to pay the amount of any such loan and the interest thereon  
21 to maturity as the same becomes due. A certified copy of  
22 this resolution shall be filed with the county auditors of  
23 the counties in which such merged area is located, and the  
24 filing thereof shall make it a duty of such auditors to enter  
25 annually this levy for collection until funds are realized  
26 to repay the loan and interest thereon in full. Said loan  
27 ~~must mature within the number of years for which the tax has~~  
28 ~~been voted and~~ shall bear interest at a rate or rates not  
29 exceeding that permitted by chapter 74A. Any loan agreement  
30 entered into pursuant to authority herein contained shall be  
31 in such form as the board of directors shall by resolution  
32 provide and the loan shall be payable as to both principal and  
33 interest from the proceeds of the annual levy of the voted tax  
34 ~~hereinbefore~~ authorized under this section, or so much thereof  
35 as will be sufficient to pay the loan and interest thereon. In

1 furtherance of the foregoing the board of directors of such  
2 merged area may, with or without notice, negotiate and enter  
3 into a loan agreement or agreements with any bank, investment  
4 banker, trust company, insurance company or group thereof,  
5 whereunder the borrowing of the necessary funds may be assured  
6 and consummated. The proceeds of such loan shall be deposited  
7 in a special fund, to be kept separate and apart from all other  
8 funds of the merged area, and shall be paid out upon warrants  
9 drawn by the president and secretary of the board of directors  
10 to pay the cost of acquiring the school facilities for which  
11 the tax was ~~voted~~ authorized.

12     Sec. 3. Section 260C.22, subsections 2 and 3, Code 2015,  
13 are amended by striking the subsections and inserting in lieu  
14 thereof the following:

15     2. Following approval of the tax at two consecutive  
16 elections under subsection 1 where the question of imposing  
17 the tax appeared on the ballot, if the tax has been imposed  
18 for a period of at least twenty consecutive years, the board  
19 of directors of the merged area may, by resolution adopted at  
20 any time before the end of the most recently authorized period  
21 of time for imposing the tax, continue to impose the voted tax  
22 each year for an additional period not to exceed ten years at  
23 a rate not to exceed the maximum rate approved at election  
24 until the tax is discontinued or the maximum rate is increased  
25 following an election pursuant to subsection 3. An increase  
26 in the maximum rate of the voted tax, not to exceed the maximum  
27 rate specified in subsection 1, shall be approved at election  
28 pursuant to the requirements of subsection 3.

29     3. A voted tax imposed under this section may be  
30 discontinued, or its maximum rate increased, by petition and  
31 election. Upon receipt of a petition containing the required  
32 number of signatures, the board of directors of a merged area  
33 shall direct the county commissioner of elections responsible  
34 under section 47.2 for conducting elections in the merged area  
35 to submit to the voters of the merged area the question of

1 whether to discontinue the authority of the board of directors  
2 to impose the voted tax under this section or to increase the  
3 maximum rate of the voted tax, whichever is applicable. The  
4 petition must be signed by eligible electors equal in number to  
5 not less than twenty-five percent of the votes cast at the last  
6 preceding election in the merged area where the question of  
7 the imposition of the tax appeared on the ballot and received  
8 by the board of directors by June 1 of the year in which the  
9 election is to be held. The question shall be submitted at  
10 an election held on a date authorized for an election under  
11 subsection 1, paragraph "a". If a majority of those voting  
12 on the question of discontinuance of the board of directors'  
13 authority to impose the tax favors discontinuance, the board  
14 shall not impose the tax for any fiscal year beginning after  
15 expiration of the period of time for imposing the tax approved  
16 at the last election under subsection 1 or the period of  
17 time for imposing the tax established by resolution of the  
18 board under subsection 2 that is in effect on the date the  
19 petition for the election is filed with the board, whichever  
20 is applicable, unless following discontinuance the voted tax  
21 is again authorized at election under subsection 1. If the  
22 question of whether to discontinue the authority of the board  
23 of directors to impose the tax fails to gain approval at  
24 election, the question shall not be submitted to the voters of  
25 the merged area for a period of ten years following the date of  
26 the election. If a majority of those voting on the question to  
27 increase the maximum rate of the voted tax favors the proposed  
28 increase, the new maximum rate shall apply to fiscal years  
29 beginning after the date of the election.

30 Sec. 4. Section 260C.22, subsection 4, Code 2015, is amended  
31 by striking the subsection.

32 Sec. 5. Section 260C.28, subsection 3, Code 2015, is amended  
33 to read as follows:

34 3. a. If the board of directors wishes to certify for a  
35 levy under subsection 2, the board shall direct the county

1 commissioner of elections to submit the question of such  
2 authorization for the board at an election held on a date  
3 specified in section 39.2, subsection 4, paragraph "c". If a  
4 majority of those voting on the question at the election favors  
5 authorization of the board to make such a levy, the board  
6 may certify for a levy as provided under subsection 2 during  
7 each of the ten years following the election, unless otherwise  
8 authorized under paragraph "b". If a majority of those voting  
9 on the question at the election does not favor authorization  
10 of the board to make a levy under subsection 2, the board may  
11 submit the question to the voters again at an election held on  
12 a date specified in section 39.2, subsection 4, paragraph "c".

13 b. Following approval of the additional tax authorized  
14 under subsection 2 at two consecutive elections under paragraph  
15 "a" where the question of imposing the additional tax appeared  
16 on the ballot, if the additional tax has been imposed for a  
17 period of at least twenty consecutive years and either the  
18 period of time for imposing the additional tax approved at the  
19 last election under paragraph "a" or the period of time for  
20 imposing the tax established previously by resolution under  
21 this paragraph "b" is due to expire, the board of directors  
22 of the merged area may, by resolution, continue to impose the  
23 additional tax each year for an additional period not to exceed  
24 ten years at a rate not to exceed the maximum rate authorized  
25 under subsection 2, until the tax is discontinued following an  
26 election pursuant to paragraph "c".

27 c. The additional tax authorized under subsection 2 may  
28 be discontinued by petition and election. Upon receipt of a  
29 petition containing the required number of signatures, the  
30 board of directors of a merged area shall direct the county  
31 commissioner of elections responsible under section 47.2 for  
32 conducting elections in the merged area to submit to the voters  
33 of the merged area the question of whether to discontinue the  
34 authority of the board of directors to impose the additional  
35 tax under subsection 2. The petition must be signed by

1 eligible electors equal in number to not less than twenty-five  
2 percent of the votes cast at the last preceding election in  
3 the merged area where the question of the imposition of the  
4 additional tax appeared on the ballot. The question shall  
5 be submitted at an election held on a date specified in  
6 section 39.2, subsection 4, paragraph "c". If a majority of  
7 those voting on the question of discontinuance of the board  
8 of directors' authority to impose the additional tax favors  
9 discontinuance, the board shall not impose the additional  
10 tax for any fiscal year beginning after the expiration of  
11 the period of time for imposing the tax approved at the last  
12 election under paragraph "a" or the period of time for imposing  
13 the additional tax established by resolution of the board under  
14 paragraph "b" that is in effect on the date the petition for  
15 the election is filed with the board, whichever is applicable,  
16 unless following discontinuance the additional tax is again  
17 authorized at election under paragraph "a". If the question  
18 of whether to discontinue the authority of the board of  
19 directors to impose the additional tax fails to gain approval  
20 at election, the question shall not be submitted to the voters  
21 of the merged area for a period of ten years following the date  
22 of the election.

23     Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
24 immediate importance, takes effect upon enactment.

25     Sec. 7. APPLICABILITY.

26     1. This Act applies to merged area voted taxes under section  
27 260C.22 in effect on the effective date of this Act and merged  
28 area voted taxes approved at election under section 260C.22 on  
29 or after the effective date of this Act.

30     2. This Act applies to merged area taxes under section  
31 260C.28, subsections 2 and 3, in effect on the effective date  
32 of this Act and merged area taxes approved at election under  
33 section 260C.28, subsection 3, on or after the effective date  
34 of this Act.

35                     EXPLANATION

1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill relates to the approval and imposition of the  
4 facilities property tax levy and the equipment replacement and  
5 program sharing property tax levy for a merged area.

6       Current Code section 260C.22 provides that in addition to a  
7 merged area's property tax levy under Code section 260C.17, the  
8 voters in a merged area may vote a tax levy not exceeding 20 and  
9 one-fourth cents per \$1,000 of assessed value for a period not  
10 to exceed 10 years for the purchase of grounds, construction of  
11 buildings, payment of debts contracted for the construction of  
12 buildings, purchase of buildings and equipment for buildings,  
13 and the acquisition of libraries, for the purpose of paying  
14 costs of utilities, and for the purpose of maintaining,  
15 remodeling, improving, or expanding the community college of  
16 the merged area.

17       Under the bill, following approval at two consecutive  
18 elections where the question of imposition of the tax was on  
19 the ballot, if the tax has been imposed for a period of at least  
20 20 consecutive years, the board of directors of the merged area  
21 may, by resolution adopted at any time before the end of the  
22 most recently authorized period of time for imposing the tax,  
23 continue to impose the voted tax each year for an additional  
24 period not to exceed 10 years at a rate not to exceed the  
25 maximum rate approved at election until the tax is discontinued  
26 or its rate increased following an election initiated by  
27 petition. The bill also specifies that the election to impose  
28 the levy under Code section 260C.22 shall be initiated by  
29 resolution of the board of directors of the merged area.

30       The bill provides that upon the receipt of a petition  
31 containing the required number of signatures, the board of  
32 directors of a merged area shall direct the appropriate county  
33 commissioners of elections to submit to the registered voters  
34 of the merged area the question of whether to discontinue the  
35 authority of the board of directors to impose the voted tax or



1 to increase the maximum rate of the tax. The petition must be  
2 signed by eligible electors equal in number to not less than  
3 25 percent of the number of votes cast at the last preceding  
4 election in the merged area where the question of imposition  
5 of the tax appeared on the ballot and received by the board  
6 of directors by June 1 of the year in which the election is  
7 to be held. If a majority of those voting on the question  
8 favors discontinuance, the board may not impose the levy for  
9 any fiscal year beginning after the expiration of the period  
10 of time for which the tax was last approved at election or  
11 by the board, as applicable. If the question of whether to  
12 discontinue the board's authority to impose the tax fails to be  
13 approved at election, the question may not be submitted to the  
14 voters for a period of 10 years.

15 The bill also strikes obsolete provisions of Code section  
16 260C.22 relating to the imposition of the voted tax in specific  
17 years.

18 Current Code section 260C.28 provides that in addition to  
19 a property tax levy of \$0.03 per \$1,000 of assessed value for  
20 equipment replacement, the board of directors of a merged area  
21 may certify for levy at a rate in excess of the \$0.03 per \$1,000  
22 of assessed value, if the excess tax levied does not cause the  
23 total rate certified to exceed a rate of \$0.09 per \$1,000 of  
24 assessed value, and the excess revenue generated is used for  
25 purposes of program sharing between community colleges or for  
26 the purchase of instructional equipment, and the additional  
27 levy is approved at election. The approval at election may be  
28 for a period not to exceed 10 years.

29 Under the bill, following approval at two consecutive  
30 elections where the question of imposition of the additional  
31 tax was on the ballot, if the additional tax has been imposed  
32 for a period of at least 20 consecutive years and the period  
33 of time approved for imposing the additional tax is due to  
34 expire, the board of directors of the merged area may, by  
35 resolution, continue to impose the additional tax each year for

1 an additional period not to exceed 10 years until the tax is  
2 discontinued following an election initiated by petition.

3     The bill provides that upon the receipt of a petition  
4 containing the required number of signatures, the board of  
5 directors of a merged area shall direct the appropriate county  
6 commissioners of elections to submit to the registered voters  
7 of the merged area the question of whether to discontinue the  
8 authority of the board of directors to impose the additional  
9 tax. The petition must be signed by eligible electors equal  
10 in number to not less than 25 percent of the number of votes  
11 cast at the last preceding election in the merged area where  
12 the question of the imposition of the additional tax appeared  
13 on the ballot. If a majority of those voting on the question  
14 favors discontinuance, the board may not impose the additional  
15 tax for any fiscal year beginning after the expiration of the  
16 period of time for which the tax was last approved at election  
17 or by the board, as applicable. If the question of whether  
18 to discontinue the board's authority to impose the additional  
19 tax fails to be approved at election, the question may not be  
20 submitted to the voters for a period of 10 years.

21     The bill takes effect upon enactment and applies to merged  
22 area taxes in effect on the effective date of the bill  
23 and merged area taxes approved at election on or after the  
24 effective date of the bill.